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SUBJECT: TURKEY: TRABZON UP FOR GRABS; UNEMPLOYMENT
FOREMOST ON BLACK SEA VOTERS' MINDS

REF: 08 ANKARA 1828

Classified By: POL Counselor Daniel O'Grady, reasons 1.4 (b,d)

11. (C) SUMMARY AND COMMENT. The Black Sea city of Trabzon is a jewel in the opposition Republican People's Party crown that the Justice and Development Party (AKP) hopes to take in March 29 local elections. Black Sea politics are personal, however, and the CHP mayor is a hard-working, well-liked populist. Despite the not-so-subtle implication from ministers in Ankara that electing AKP municipal leaders will ensure national government support, the AKP national government has not discriminated against Trabzon, showering the city with impressive infrastructure projects, including a brand new terminal at the city's international airport. PM Erdogan will no doubt be reminding voters of his government's benevolence in March rallies in Artvin, his hometown of Rize, and Trabzon, inaugurating a renovated border crossing with Georgia and opening a new tea processing plant in Rize, among other deliverables. Both in Trabzon and further along the coast in Rize, unemployment is the number one issue, but it does not appear to be impacting the AKP's overall popularity; the party will easily retain Rize and has a good shot at Trabzon, despite the city's social democratic tradition. While the advantages of national incumbency are formidable in local Turkish elections, the AKP's success in the region -- even if it does not get over the hump in Trabzon -- is largely the result of one simple fact: the AKP and PM Erdogan campaign harder. END SUMMARY AND COMMENT.

TRABZON UP FOR GRABS

12. (C) Following up on our October 2008 visit (reftel), we pulsed Trabzon and Rize political and economic leaders, students and university administrators, March 2-3, ahead of March 29 local elections. While the small provincial capital of Rize is in the bag for incumbent AKP, the Trabzon election is a high priority for AKP and CHP. Smaller third parties, like the Nationalist Action Party (MHP) and the Islamist Saadet Party, do not appear poised to play the spoiler role as they may in other close races around Turkey. Black-Sea-origin people -- and Trabzon-origin people specifically -- are represented disproportionately in Turkey's political, economic and cultural life (a result, according to our contacts, of the region's historical and cultural diversity, the challenging Black Sea landscape, and the pragmatism its people learn as migrants in Turkey's bigger cities), so a win in Trabzon resonates beyond the eastern Black Sea. The municipality is led presently by CHP Mayor Volkan Canalioglu, a well-liked populist, known locally -- to his benefit -- as the country's "poorest" (read least corrupt) mayor. As previously reported, Trabzon voters,

though conservative, are non-ideological and choose candidates based on personality. The city also has a strong secular, social democratic tradition. Weddings and funerals count and Canalioglu is reported to be everywhere, even though he made some time to talk with us in the midst of a busy campaign, suggesting a degree of confidence as March 29 approaches.

13. (C) The AKP candidate, Fevzi Gumrukcuoglu, is a former Ministry of Health Deputy U/S and geological engineer by training. The party is highlighting his technical and management expertise, but it remains unclear whether the candidate has captured the hearts of voters. Neither AKP nor CHP can easily claim the lion's share of credit for the extensive and visible municipal improvements in Trabzon -- roads, pavements, parks, solid waste facilities, a new airport terminal, new port facilities, etc. Mayor Canalioglu conceded that Trabzon has received its fair share of resources from Ankara and that he has partnered well with central government ministries, regretting the widely reported comment by Justice Minister Sahin that voters should elect candidates that can attract national government support. AKP Provincial Chairman Muhammet Balta agreed there is a strong sense of partnership in Trabzon; he emphasized AKP's non-discrimination policy and said it would continue even if his party lost. Neither side has risked alienating voters by attacking the other party.

14. (C) The extent to which AKP is successful in Trabzon will be owed to the efforts of PM Erdogan. He rallied in the city March 5 and will return again to the region March 11. He

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visits often and is banking on family and cultural ties to boost his party. Posters plastered around both cities advertising his rallies state: "World Leader: Recep Tayyip Erdogan: All Welcome." Erdogan is an impressive campaigner; Balta said he is reinvigorated by the people. The public, he said, finds something of themselves within Erdogan. He is sincere and the people are receiving his message. The AKP, according to Balta, is effectively using the media as well as its traditional door-to-door strategy to get out the vote, but Balta conceded that the global economic crisis has made it more challenging for the party to get its message across. Balta indicated that Erdogan's response to the Gaza crisis -- motivated by his "humanity" -- would benefit AKP, suggesting the party may be trying to carve out some political space for itself on this issue. Whereas Erdogan is working hard on AKP's behalf, Mayor Canalioglu said he is still working with the CHP central administration to get party Chairman Deniz Baykal to Trabzon, where he has not been since announcing Canalioglu's re-nomination months ago.

UNEMPLOYMENT IS THE NUMBER ONE ISSUE,
BUT NO CLEAR IMPACT ON THE CAMPAIGN

15. (C) Unemployment is the dominant issue for Trabzon and Rize voters. The region has long struggled to ensure enough jobs for its people. According to Trabzon Governor Nuri Okutan, only 13 percent of the provincial economy is industrial, the rest shipping and trade, services (tourism), and agriculture. None of these is booming, ensuring that a large number of young people continue to migrate to Turkey's bigger cities, returning only for vacation and retirement. The political parties vying for office, however, do not appear able to turn the problem to their advantage. AKP Rize Mayor Halil Bakirci said the people know there is not one solution to the unemployment problem and believe the most productive responses will come from AKP. Center-right ANAVATAN Party (ANAP) Rize Provincial Chairman Muharrem Yardimci, who is leading a spirited though likely futile effort at winning the Rize mayoralty for his party (Rize MP and former PM Mesut Yilmaz hails from the party, though he recently broke with its leadership), is emphasizing his candidates' technocratic credentials and listing a series of ambitious projects to make headway on the employment issue.

AKP is doing the same with its candidate in Trabzon, and may have more success given the party's national reputation for economic competence. But incumbents in both cities can already point to impressive public works accomplishments. Pie-in-the-sky promises may not be convincing to a public that has not been ignored by its politicians and recognizes the economic crisis is global.

TOURISM HOLDING

16. (SBU) Trabzon's formidable tourism sector suffered the twin shocks of the Georgia conflict and the recent Gaza offensive, but Tourism Enterprise Association Chairman Suat Gurcok expects the sector to remain on its feet. Many Turks who preferred to travel abroad may now, he predicted, remain in Turkey for their holidays, and with the dollar up, he expects a growing number of foreign travelers to find value in Turkey and to make their way to the Trabzon region while visiting. While Trabzon is not the leading Turkish destination for Israelis, Gurcok noted that there have been no cancellations of Israeli bookings for 2009.

TRABZON/BATUMI: "ONE REGION TWO STATES"

17. (C) Georgian visitors are returning and the suitcase trade has again swollen -- to between USD 1 billion and 3.6 billion, according to local officials. Georgian Consul General in Trabzon Avtandil Mikatsadze, who is a native of Batumi, said local Turkish and Georgian authorities are working together closely on a vision of Turkey's eastern Black Sea and the Ajara region of Georgia as an integrated whole. Already, travelers from both sides are exempt from visa requirements; the Batumi airport serves travelers from both countries without customs requirements; and the highway connection between Batumi and Trabzon is as modern and efficient as any found in Turkey. Mikatsadze said that, despite some initial uncertainties about Ankara's reaction to the Russian invasion of Georgia, local Turkish authorities are in strong solidarity with Georgia and committed to its development, sovereignty and territorial integrity. PM

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Erdogan participated in a ceremony March 5 with Georgian President Saakashvili to open the renovated Sarp border crossing (the Turkish renovation is complete; construction on the Georgian side is beginning now). Erdogan and Saakashvili called for a border similar to the "virtual" border between France and Switzerland, ordering bureaucrats to overcome the remaining hurdles to realizing this goal.

HAZELNUT FARMERS SUFFERING

18. (C) Trabzon is the center of Turkey's vast hazelnut industry; exports were valued at USD 1.4 billion last year. Local Chamber of Agriculture President Orhan Ozdemir told us that hazelnut producers are not earning enough to cover their costs. The national cooperative, Fiskobirlik, has not paid farmers for all the production sold to it three years ago, while the price has been set at a level less than half that which exporters earn and below what can sustain farmers (though well above the market price). The sector employs hundreds of thousands of Turkish families, but producers are now forced by the government's low price and late payments to sell to private merchants who have no social concern for the welfare of farmers. Farmers, Ozdemir said, are fed up with the government's lack of support and its deference to IMF, EU and U.S. agricultural liberalization directives. (NOTE: Hazelnut farmers could constitute an important voting bloc, but they are dispersed in rural areas -- many producers actually reside outside the region entirely -- and are unlikely to impact municipal elections substantially. The government has initiated some steps to help producers, launching a hazelnut marketing campaign and limited direct hazelnut sales. END NOTE.)

TEA SECTOR THRIVING

¶9. (SBU) Rize province is dominated by tea -- a \$1.5 billion sector. Rize has a unique microclimate that makes it the only major tea producing region outside the world's equatorial belt. The situation in the sector is far different from hazelnuts. Unlike Fiskobirlik or the Turkish Grain Board, the state economic actor authorized to purchase tea from producers, Caykur, is reportedly providing a fair and livable price. According to Caykur CEO Ekrem Yuce and Rize Governor Zekeriya Sarbak, Caykur competes effectively with the private sector in the tea industry (its legal monopoly ended in 1984), marketing and exporting tea under its name, and dominating the retail sector in Turkey. As a profitable enterprise, the state remains supportive, and Caykur can fulfill its social mission to the 20 thousand producers it indirectly employs and the 99 percent of Turkish households that consume its products, as well as encourage agricultural diversification and organic production. PM Erdogan is scheduled to attend the opening ceremony of a new dry tea producing facility in Rize province during his March 11 visit.

STUDENTS POLITICALLY ENGAGED,
BUT NOT IN PARTY POLITICS

¶10. (SBU) We discussed U.S.-Turkish Relations and other issues with over 100 students and Trabzon's Black Sea Technical University, following that up with a meeting with university rector Ibrahim Ozen. The students are enthusiastic about President Obama and the potential for strengthened U.S.-Turkey relations under the new U.S. administration. A number of students expressed their view that Turkey is more democratic today than ten years ago (three years before AKP came to power; none dissented from this view) and are confident in their futures, despite the economic downturn. Likewise, the students expressed optimism and hope for Turkey-Armenia relations, endorsing Turkish efforts to normalize relations with Armenia -- a country with which the eastern Black Sea region has historical and cultural ties, and from which it could stand to benefit economically as a commercial gateway. Party politics, however, do not interest students much. Ozen reminded us that party politics are banned from university campuses; the active political participation generated, for example, among American students by the Obama campaign would not be found in Turkey.

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